

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 EB-11 FEA-02 FPC-01 H-03 INR-10 INT-08 L-03

NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01 SCI-06

SP-03 SS-20 STR-08 TRSE-00 PRS-01 USIA-15 PA-04 DRC-01

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FM AMEMBASSY MONTEVIDEO

TO SECSTATE WASHDC 6504

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E.O. 11652: N/A

TAGS: ENRG, UY

SUBJ: HYDROELECTRIC ENERGY CRISIS HITS URUGUAY

1. SUMMARY: ALREADY HARD-HIT BY THE WORLD PETROLEUM CRISIS, URUGUAY HAS BEEN BROUGHT BY A LONG DRY SPELL TO A SERIOUS CRISIS IN ITS HYDROELECTRIC PRODUCTION, ROUGHLY ONE-HALF OF THE COUNTRY'S TOTAL ENERGY OUTPUT. THE GOU HAS DECREED A SERIES OF SEVERE RESTRICTIONS ON THE USE OF ELECTRICITY IN HOMES AND BUSINESSES AND HAS CHANGED OFFICE HOURS IN AN EFFORT TO UTILIZE DAYLIGHT TO THE FULLEST. THROUGH THE USMILGP THE URUGUAYAN ARMY HAS ASKED THE USG TO LOOK INTO THE POSSIBILITY OF OBTAINING A POWER GENERATING SHIP ON AN EMERGENCY BASIS. ACTION REQUESTED: THE EMBASSY WOULD APPRECIATE IF STATE AND AID WOULD FURTHER INVESTIGATE THIS POSSIBILITY.

END SUMMARY. END LIMITED OFFICIAL USE.

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2. BEGIN UNCLASSIFIED. THE LACK OF SUBSTANTIAL

RAINFALL FOR OVER A MONTH IN THE BASIN OF THE RIO NEGRO, WHERE URUGUAY'S TWO HYDROELECTRIC DAMS ARE LOCATED, HAS LOWERED THE LEVEL OF THE RESERVOIR BEHIND THE MAIN DAM (GABRIEL TERRA) TO A POINT DANGEROUSLY CLOSE TO THE LEVEL AT WHICH THE PLANT CAN NO LONGER GENERATE POWER. THE GOU HAS ISSUED TWO DECREES STIPULATING A SERIES OF RESTRICTIONS ON THE USE OF ELECTRICITY IN HOMES, STORES AND OFFICES AND ALTERING OFFICE HOURS TO TAKE FULL ADVANTAGE OF DAYLIGHT.

3. THE USE OF ELECTRIC SIGNS ADVERTISEMENTS, ESCALATORS AND LIGHTED WINDOWS IS FORBIDDEN, AND THE USE OF ELEVATORS IS LIMITED. USE OF ELECTRICITY PER MONTH IS TO BE RESTRICTED TO NO MORE THAN 70 PERCENT OF THE AMOUNT EACH SUBSCRIBER USED DURING OCTOBER 1973. DURING PEAK HOURS (6 PM TO 10 PM) NO ELECTRICAL APPLIANCE MAY BE USED EXCEPT REFRIGERATORS, STOVES, RADIOS AND TELEVISION. IN STORES AND OFFICE BUILDINGS, ELECTRIC HEATING IS PROHIBITED AND ELECTRICAL LIGHTING RESTRICTED. WITH DUE ADVANCED NOTICE, ELECTRIC SERVICE WILL BE CUT COMPLETELY FOR SHORT PERIODS OF TIME IN VARIOUS ZONES. APPROPRIATE MINISTRIES ARE CHARGED WITH INCREASING THE SUPPLY OF NON-ELECTRICAL HEATING AND LIGHTING APPARATUS AND PROVIDING SPECIAL FINANCING FOR THE PURCHASE OF SUCH DEVICES.

4. GOVERNMENT OFFICE HOURS WILL BE FROM 9:00 AM OR 11:00 AM TO 5 PM. BANKS WILL BE OPENED FROM 10:00 AM OR NOON UNTIL 4:00 PM FOR THE PUBLIC AND WILL CLOSE COMPLETELY AT 6:00 PM. SOME CATEGORIES OF STORES MUST CLOSE AT 6:00 PM, BARBER SHOPS AND BEAUTY PARLORS AT 7:00 PM, AND FOOD RETAIL SHOPS (SUCH AS BUTCHER SHOPS, BAKERIES, DAIRY STORES, FRUIT AND VEGETABLE VENDERS) MUST CLOSE AT 8:00 PM. MOVIES AND THEATERS CLOSE AT MIDNIGHT (BUT ARE ALLOWED A HALF HOUR LATER ON WEEKENDS AND HOLIDAYS), AND RESTAURANTS, BARS AND NIGHT CLUBS CAN FUNCTION UNTIL 2 AM. END UNCLASSIFIED

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5. BEGIN LIMITED OFFICIAL USE. COMMENT: THIS IS NOT THE FIRST TIME THAT AN UNUSUALLY DRY SEASON HAS REDUCED URUGUAY'S HYDROELECTRIC GENERATING CAPACITY AND BROUGHT ON A TEMPORARY ENERGY CRISIS. THE LAST SUCH SERIOUS CRISIS OCCURRED IN 1970. IT REOCCURS THIS YEAR AT A TIME WHEN THE URUGUAYAN PUBLIC ALREADY HAS SEVERAL ECONOMIC CROSSES TO BEAR, AND IT IS THEREFORE ALL THE MORE BURDENSOME AND PSYCHOLOGICALLY DISPIRITING. MINISTER OF INDUSTRY

AND CMMERCE ETCHEVERRY STIRLING, ANNOUNCING THE FORTHCOMING MEASURES ON TELEVISION ON MAY 9, LASHED OUT BITTERLY AT THE LACK OF VISION AND PETTY POLITICKING UNDER PREVIOUS GOVERNMENTS WHICH ALLEGEDLY WERE RESPONSIBLE FOR THE FACT THAT THE LONG-DEBATED PALMAR DAM (WHICH WOULD BE URUGUAY'S THIRD) IS STILL NOT UNDER CONSTRUCTION. THE GRAVITY WITH WHICH THE GOU VIEWS THE HYDROELECTRIC CRISIS IS SHOWN BY THE EFFORT TO PROMOTE THE USE OF FUEL-BURNING HEATERS AND LIGHTING EQUIPMENT DESPITE THE SHORTAGE AND EXTREMELY HIGH COST OF PETROLEUM IN URUGUAY BROUGHT ON BY THE WORLD OIL CRISIS.

6. ACTION REQUESTED: GENERAL GROSSI, URUGUAYAN ARMY CHIEF OF STAFF, TOLD A US MILGP OFFICER ON MAY 8 THAT THE RESERVOIRBEHIND THE GABRIEL TERRA DAM (WHICH PRODUCES MOST OF URUGUAY'S HYDROELECTRIC POWER) WAS AT ONLY ONE METER ABOVE THE MINIMUM WATER LEVEL AND CONTINUING TO FALL. HE SAID THAT THREE YEARS AGO, IN A SIMILAR SITUATION, THE USG OFFERED TO HELP BY PROVIDING A GENERATOR SHIP, AND HE ASKED THE MILGP TO LOOK INTO THE POSSIBILITY OF BORROWING AT THIS TIME A SHIP THAT MIGHT PRODUCE AROUND 100 MEGAWATTS. MILGP AND EMBASSY FILES THROW NO LIGHT ON THE PREVIOUS SITUATION. MILGP HAS MADE PRELIMINARY INQUIRIES VIA PANAMA. WE WOULD APPRECIATE STATE AND AID LOOKING INTO THIS POSSIBILITY PROMPTLY IN CONJUNCTION WITH DOD.

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